

SENATE RECORD VOTE ANALYSIS

104th Congress
1st Session

Vote No. 538

October 27, 1995, 5:10 p.m.
Page S-16019 Temp. Record

BALANCED BUDGET RECONCILIATION/Irrigation Discounted Prepayment

SUBJECT: **Balanced Budget Reconciliation Act of 1995 . . . S. 1357. Domenici motion to table the Bradley amendment No. 3023.**

ACTION: MOTION TO TABLE AGREED TO, 60-39

SYNOPSIS: As reported, S. 1357, the Balanced Budget Reconciliation Act of 1995, will result in a balanced budget in seven years, as scored by the Congressional Budget Office (CBO). The bill will also provide a \$245 billion middle-class tax cut, \$141.4 billion of which will be to provide a \$500 per child tax credit.

The Bradley amendment would strike sections 5400 and 5401. Those sections will allow the prepayment of Bureau of Reclamation irrigation projects. (The Bureau of Reclamation was created for water reclamation projects in the arid West. In 1902, when the program began, Congress mandated that beneficiaries of Bureau projects that received irrigation water would have to pay for their share of the construction costs (for example, a beneficiary that received 10 percent of the irrigation from a project could be allocated 10 percent of the construction costs). Costs could be paid up-front or over time. A farm did not have to pay interest if the people on the farm owned 160 acres or less each. For example, a farm family with four children did not have to pay interest on its allocable construction costs if it had less than 960 acres. The limit did not apply to leased land. Larger farms had to pay interest costs if they paid for their shares of construction costs over time. In 1982, Congress changed the acreage limit to the current 960 acres per farm owner--thus, a single farmer and a farmer with 10 children now have the same limit. That limit was also made to apply to leased land. Further, Congress prohibited prepayment of construction costs--costs had to be paid over time. The Bureau retains control over an irrigation project until beneficiaries have fully paid for it. Though the Bureau does not own the water, it does have some control over its allocation, it can create new capital costs and demand payment for those costs, and it can demand payment for operation and maintenance costs.)

The amendment was offered after all debate time had expired. However, by unanimous consent, 1 minute of debate was permitted on the amendment. Also, statements in favor of and in opposition to the amendment were inserted into the record. Following debate, Senator Domenici moved to table the Bradley amendment. Generally, those favoring the motion to table opposed the amendment;

(See other side)

YEAS (60)			NAYS (39)			NOT VOTING (0)	
Republicans (46 or 87%)	Democrats (14 or 30%)		Republicans (7 or 13%)	Democrats (32 or 70%)		Republicans (0)	Democrats (0)
Abraham	Helms	Akaka	Chafee	Biden	Leahy		
Ashcroft	Hutchison	Baucus	Cohen	Bingaman	Levin		
Bennett	Inhofe	Boxer	Gregg	Bradley	Lieberman		
Bond	Kassebaum	Breaux	Jeffords	Bryan	Mikulski		
Brown	Kempthorne	Conrad	Lugar	Bumpers	Moseley-Braun		
Burns	Kyl	Dodd	Snowe	Byrd	Moynihan		
Campbell	Lott	Dorgan	Specter	Daschle	Murray		
Coats	R	Exon		Feingold	Nunn		
Cochran	Mack	Feinstein		Glenn	Pell		
Coverdell	McCain	Ford		Graham	Pryor		
Craig	McConnell	Heflin		Harkin	Reid		
D'Amato	Murkowski	Inouye		Hollings	Robb		
DeWine	Nickles	Johnston		Kennedy	Rockefeller		
Dole	Pressler	Kerrey		Kerry	Sarbanes		
Domenici	Roth			Kohl	Simon		
Faircloth	Santorum			Lautenberg	Wellstone		
Frist	Shelby						
Gorton	Simpson						
Gramm	Smith						
Grams	Stevens						
Grassley	Thomas						
Hatch	Thompson						
Hatfield	Thurmond						
	Warner						

EXPLANATION OF ABSENCE:

- 1—Official Business
- 2—Necessarily Absent
- 3—Illness
- 4—Other

SYMBOLS:

- AY—Announced Yea
- AN—Announced Nay
- PY—Paired Yea
- PN—Paired Nay

those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

Big farms and small farms alike in the West are desperate to escape the clutches of Secretary of Interior Babbitt. President Clinton's Interior Secretary has opened up another front in his war on the West by abusing the Bureau of Reclamation's authority over irrigation projects. Senators have made the demonstrably false assertion that the Bradley amendment is about "corporate welfare." That cover story is simply to hide the fact that this amendment is intended to help Secretary Babbitt drive as many Western farmers from their land as he can, in direct violation of Federal law.

The Bureau of Reclamation typically does not hold any water rights. It builds storage and conveyance systems only. Since its founding, water users who use those storage and conveyance systems for irrigation have been expected to reimburse the Bureau for its costs of constructing those irrigation systems. Once those systems are fully reimbursed, the Bureau transfers control over them to the water users. The only subsidy that has ever been involved has not dealt with the cost of the water--it has dealt with the interest on construction costs. Small farms have not had to pay interest. From 1902 to 1982 the subsidy was 160 acres per person on a farm for owned land, and no limitation was applied for leased land. For a family children, the subsidy was thus for 960 acres. In 1982, the subsidy was restricted, not expanded as our colleagues have stated. It was changed to \$960 for each farm, and was made to apply to leased land as well. For a farm family with more than 4 children, or for any farm with any appreciable amount of leased land, this change was for the worse. From 1902 to 1982, reclamation costs could be paid up-front. However, in 1982, the law was changed; payment schedules had to be worked out.

The proposal in this bill will undo this nonsensical requirement. If the Bureau of Reclamation has a water project that is of a certain value, any users of irrigation water from that project will be permitted to pay their shares of the construction costs right away. Though logically one may suppose that only larger farms will take this option, because only larger farms have to pay interest on those costs in their payment schedules, the fact is that large and small farms will jump at the chance. Small farmers will happily take out new loans to pay off their interest-free loans from the Bureau, because as soon as those loans are paid off the Bureau loses authority over the projects. With that loss of authority, the Bureau will lose the ability to load totally unnecessary costs onto the farmers under the guise of operation and maintenance costs. Once that authority is lost, the Bureau will no longer be able to impose new regulations that ignore explicit statutory language, as it did when it adopted its economic benefits test to distinguish between a lease and a management agreement (the regulation was adopted as a means of raising water system prices on farmers against the express intent of Congress). Once that authority is lost, environmentalists who wish to dump out reservoirs and end irrigation in order to have "natural" flows of water or to create wetlands will no longer have control over the water systems.

Senators should make no mistake about it--the Bradley amendment, to put it mildly, is disingenuous. It is not intended to stop corporate welfare in order to help small farm operations--it is intended to destroy farms in the West, large and small, by shutting off their water supplies. At one time, the Federal Government was a partner in developing the West (though it has certainly never been the partner that it was and still is in the East, where the Army Corps of Engineers pays for countless water projects for farmers in States such as New Jersey with absolutely no repayment requirements). In recent years, though, and especially under the Clinton Administration, it has turned into a relentless enemy. The Clinton Administration, and apparently certain Senators, are desperate to prevent the ending of the fiction that the Federal Government is somehow providing a "subsidy" to westerners with its control over water projects. This "subsidy" is one they would gladly do without. We fully favor the right of westerners to pre-pay and thus escape the clutches of the Clinton Administration, and we therefore strongly urge the rejection of the Bradley amendment.

Those opposing the motion to table contended:

The sections that would be struck by the Bradley amendment represent corporate welfare at its worst. They would give large corporate farms a chance to cash in on costly Federal irrigation subsidies that were designed to help small family farmers. When the reclamation program began in 1902, Congress required it to provide low-cost irrigation to help small farms (160 acres or less). In 1982, in recognition of the fact that the average size of a family farm had grown, Congress raised the limit to 960 acres. Larger farms have always had to pay full price for their water, as they should.

This reconciliation bill, though, will create a loophole that will allow enormous corporate farms to get water from the Bureau of Reclamation at the subsidized small-farm rate. It will allow farmers with huge holdings to pre-pay for their water at the rate that is charged small farms. We do not object to prepayment, but we certainly object to letting them pre-pay at the subsidized rate. The net present value for large farms, and the loss to the United States Treasury, could exceed \$1,000 per acre.

As a result of this loophole, the very family farmers for whom the Reclamation Program was designed will face ever-larger competitors. These small farms, which are not as adept as large corporate farms in winning discounts and waivers from other Federal laws, will be wiped out. Soon, the West will be dominated by a few monolithic corporate farms. We oppose that result, and thus oppose the motion to table the Bradley amendment.